

TABLE B-3. BASELINE BUDGET PROJECTIONS BY HOUSE COMMITTEES WITH AUTHORIZING JURISDICTION (By fiscal year, in billions of dollars)

Committee		1982 Base	Projections				
			1983	1984	1985	1986	1987
Agriculture							
Sole jurisdiction	BA	19	22	25	25	26	26
	O	29	24	22	24	26	27
Shared jurisdiction	BA	3	3	3	3	3	3
	O	3	3	3	3	3	3
Armed Services							
Sole jurisdiction	BA	218	246	271	292	310	328
	O	192	217	244	271	296	317
Shared jurisdiction	BA	1	1	1	1	1	1
	O	1	1	1	1	1	1
Banking, Finance, and Urban Affairs							
Sole jurisdiction	BA	32	34	38	46	44	47
	O	19	19	21	23	26	28
Shared jurisdiction	BA	*	1	1	1	1	1
	O	1	1	1	1	1	1
District of Columbia							
Sole jurisdiction	BA	1	1	1	1	1	1
	O	1	1	1	1	1	1
Education and Labor							
Sole jurisdiction	BA	27	31	33	34	36	38
	O	29	30	32	33	35	37
Shared jurisdiction	BA	*	*	*	*	*	*
	O	*	*	*	*	*	*

*Less than \$500 million.

(Continued)

TABLE B-3. CONTINUED

Committee		1982 Base	Projections				
			1983	1984	1985	1986	1987
Energy and Commerce							
Sole jurisdiction	BA	35	37	40	44	47	50
	O	35	37	39	43	47	50
Shared jurisdiction	BA	6	6	7	7	8	8
	O	6	6	7	7	7	8
Foreign Affairs							
Sole jurisdiction	BA	22	24	25	27	29	31
	O	19	20	21	24	25	27
Shared jurisdiction	BA	1	1	2	2	2	2
	O	1	1	2	2	2	2
Government Operations							
Sole jurisdiction	BA	10	10	11	11	12	13
	O	10	10	10	11	12	12
Shared jurisdiction	BA	*	*	*	*	*	*
	O	*	*	*	*	*	*
House Administration							
Sole jurisdiction	BA	1	1	1	1	1	1
	O	1	1	1	1	1	1
Shared jurisdiction	BA	*	*	*	*	*	*
	O	*	*	*	*	*	*
Interior and Insular Affairs							
Sole jurisdiction	BA	6	6	7	7	7	8
	O	6	6	6	6	7	7
Shared jurisdiction	BA	6	7	7	8	8	8
	O	7	7	7	7	8	9

*Less than \$500 million.

(Continued)

TABLE B-3. CONTINUED

Committee		1982 Base	Projections				
			1983	1984	1985	1986	1987
Judiciary							
Sole jurisdiction	BA	5	5	5	5	5	5
	O	5	5	5	5	5	5
Merchant Marine and Fisheries							
Sole jurisdiction	BA	3	3	3	3	4	4
	O	3	3	3	3	3	4
Shared jurisdiction	BA	1	1	1	1	1	1
	O	1	1	1	1	1	1
Post Office and Civil Service							
Sole jurisdiction	BA	50	53	57	62	66	70
	O	37	40	44	48	51	55
Shared jurisdiction	BA	*	*	*	*	*	*
	O	*	*	*	*	*	*
Public Works and Transportation							
Sole jurisdiction	BA	24	26	27	28	30	31
	O	27	26	27	27	28	30
Shared jurisdiction	BA	3	3	3	4	4	4
	O	3	3	3	4	4	4
Science and Technology							
Sole jurisdiction	BA	8	8	8	8	9	10
	O	8	8	8	8	9	9
Shared jurisdiction	BA	4	4	5	5	5	5
	O	5	5	4	5	5	5

*Less than \$500 million.

(Continued)

TABLE B-3. CONTINUED

Committee		1982 Base	Projections				
			1983	1984	1985	1986	1987
Small Business							
Sole jurisdiction	BA	1	1	1	1	1	1
	O	1	1	1	1	1	1
Veterans' Affairs							
Sole jurisdiction	BA	25	26	27	28	29	30
	O	25	25	26	27	28	30
Shared jurisdiction	BA	*	*	*	*	*	*
	O	*	*	*	*	*	*
Ways and Means							
Sole jurisdiction	BA	389	445	495	553	609	664
	O	397	452	503	553	603	658
Shared jurisdiction	BA	3	3	3	3	3	4
	O	3	3	3	3	3	3
Total Allocations							
Sole jurisdiction	BA	874	978	1,074	1,176	1,266	1,359
	O	842	925	1,015	1,111	1,205	1,299
Shared jurisdiction <u>a/</u>	BA	10	12	12	13	14	14
	O	11	11	12	12	13	13
Unallocated to Committees							
Sole jurisdiction	BA	-113	-127	-138	-152	-165	-182
	O	-113	-127	-138	-152	-165	-182

Grand Totals	BA	771	863	948	1,037	1,114	1,191
	O	740	809	889	971	1,052	1,130

*Less than \$500 million.

a/ In computing total shared jurisdiction, those dollar values allocated to two or more authorizing committees were counted only once.

TABLE B-4. BASELINE BUDGET PROJECTIONS BY SENATE COMMITTEES WITH AUTHORIZING JURISDICTION (By fiscal year, in billions of dollars)

Committee		1982 Base	Projections				
			1983	1984	1985	1986	1987
Agriculture, Nutrition, and Forestry	BA	24	28	31	31	33	34
	O	34	30	28	31	33	35
Armed Services	BA	218	246	271	292	310	328
	O	192	217	244	271	296	316
Banking, Housing, and Urban Affairs	BA	34	37	40	44	48	51
	O	22	22	24	26	29	31
Commerce, Science, and Transportation	BA	15	16	16	16	17	18
	O	16	16	16	16	17	18
Energy and Natural Resources	BA	10	11	11	12	13	13
	O	11	11	11	12	12	13
Environment and Public Works	BA	19	21	21	22	24	25
	O	22	21	21	22	23	24
Finance	BA	417	475	528	590	649	708
	O	424	481	535	589	642	700
Foreign Relations	BA	22	25	26	33	30	32
	O	20	20	22	24	26	28
Governmental Affairs	BA	51	55	59	64	68	72
	O	38	42	45	49	53	57
Judiciary	BA	5	6	6	6	6	6
	O	5	5	6	6	6	6
Labor and Human Resources	BA	39	43	45	47	49	51
	O	42	42	44	46	49	51
Rules and Administration	BA	1	1	1	1	1	1
	O	1	1	1	1	1	1
Small Business	BA	1	1	1	1	1	1
	O	1	1	1	1	1	1
Veterans' Affairs	BA	25	26	26	28	29	30
	O	25	25	26	27	28	30

(Continued)

TABLE B-4. CONTINUED

Committee		1982 Base	Projections				
			1983	1984	1985	1986	1987
Select Committee on Indian Affairs	BA	2	2	2	2	2	2
	O	2	2	2	2	2	2
Total Allocations	BA	884	990	1,086	1,189	1,279	1,373
	O	853	936	1,027	1,123	1,217	1,312
Unallocated to Committees	BA	-113	-127	-138	-152	-165	-182
	O	-113	-127	-138	-152	-165	-182

Grand Totals	BA	771	863	948	1,037	1,114	1,191
	O	740	809	889	971	1,052	1,130

APPENDIX C. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS

Both the unified budget and the federal sector of the national income accounts (NIA) measure the receipts and expenditures of the federal government. The national income accounts measure current income and production and are the most widely used indicator of current economic activity. As a rule, the unified budget is used for budgetary analysis while the NIA federal sector is more useful for analyzing the economic impact of federal government activity.

This appendix explains the differences between the unified budget and the federal sector of the national income accounts, translates the unified budget projections given in the body of the report into NIA terms, and relates the NIA spending categories to the major program spending categories discussed in Chapter IV.

DIFFERENCES BETWEEN THE UNIFIED BUDGET AND THE NIA FEDERAL SECTOR

The NIA estimates of federal activity differ somewhat from those of the unified budget. Specifically, they vary in four areas: timing of transactions; netting and grossing of receipts against spending; treatment of financial activities; and coverage.

Timing differences occur because the unified budget records transactions (except interest owed to the public) on a cash-paid or cash-received basis, while the NIA federal sector may use a cash, accrual, or other basis, depending on the type of transaction. On the receipts side, the most important timing difference is the recording of corporate profit taxes in the NIA at the time the tax liability is incurred, which may be months (or years) before the money is deposited in the Treasury. On the expenditure side, the only major timing difference is the recording of some large defense purchases in the NIA at the time of delivery rather than at the time payment is made. Other timing differences are generally small.

Netting and grossing differences arise because the unified budget treats certain types of receipts as offsets to outlays. For example, receipts by the civil service retirement trust fund and other federal employee benefit plans of employer contributions are counted as a negative outlay in the unified budget, exactly offsetting agency expenditures elsewhere in the

budget. In the NIA, this amount is added to both receipts and expenditures in order to provide a more accurate measure of social insurance taxes (on the revenue side) and compensation of employees (on the expenditure side). Other netting and grossing adjustments in the NIA are made for funds collected by the government in the course of business-type transactions--such as veterans' insurance programs, timber sales, and rents and royalties arising from the Outer Continental Shelf leases.

Lending transactions that involve only the transfer of existing assets and liabilities are generally excluded from the NIA federal sector, since they do not reflect current production of goods or services. For example, direct lending by the Small Business Administration is reflected in the unified budget but is excluded from the NIA. Interest paid or received in the course of financial transactions, though, is reflected in the NIA federal sector. The NIA also records nonrecourse agricultural commodity loans as purchases of goods and services rather than loans.

Coverage differences largely reflect the exclusion of Puerto Rico, the Virgin Islands, and other territories from the United States for purposes of computing the gross national product and related data series in the NIA. The national income accounts, on the other hand, include certain foreign currency transactions and spending by certain off-budget federal entities that are excluded from the unified budget.

Estimates of federal-sector receipts and expenditures on an NIA basis, consistent with the CBO baseline budget projections, are shown in Table C-1.

RELATION OF NIA AND MAJOR PROGRAM SPENDING CATEGORIES

The NIA expenditure categories resemble the major program categories for unified budget outlays discussed in Chapter IV. Defense purchases in the NIA are almost identical to the major program category of national defense. Military retirement benefits, however, are treated as transfers in the NIA. Minor discrepancies also arise because of geographical exclusions, treatment of some research spending as grants, and other small differences.

Most spending on benefit payments for individuals is allocated in the NIA to transfers or grants, depending on how the particular program is administered. For example, benefits under the old-age, survivors, disability, and health insurance programs are paid directly by the federal government to individuals and health-care providers and are counted as transfers, while several other benefit programs (such as Aid to Families with Dependent Children and Medicaid) are administered through state and local govern-

TABLE C-1. PROJECTIONS OF BASELINE REVENUES AND OUTLAYSON
A NATIONAL INCOME ACCOUNTS BASIS (By fiscal year, in
billions of dollars)

	1982 Base	Projections				
		1983	1984	1985	1986	1987
Receipts						
Personal Tax and Nontax Receipts	307	312	324	351	373	402
Corporate Profits Tax Accruals	57	71	79	81	83	92
Contributions for Social Insurance	220	239	263	296	327	362
Indirect Business Tax and Nontax Accruals	<u>56</u>	<u>56</u>	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>
Total	640	678	725	787	842	915

Expenditures						
Purchases of Goods and Services						
Defense	171	193	216	240	261	277
Nondefense	75	71	73	79	86	94
Transfer Payments	314	343	370	403	438	475
Grants-in-Aid to State and Local Governments	84	86	90	96	103	111
Net Interest Paid	83	104	128	141	154	166
Subsidies less Current Surplus of Govern- ment Enterprises	<u>15</u>	<u>15</u>	<u>16</u>	<u>19</u>	<u>20</u>	<u>22</u>
Total	743	812	892	978	1,062	1,145

ments and are counted as grants. The federal government's administrative costs for benefit programs are a nondefense purchase in the NIA.

NIA grants consist essentially of benefit payments under such grants-in-aid programs as AFDC and Medicaid (often termed "indirect benefit payments") along with the major program category entitled "other grants." There are, however, several important distinctions between NIA and unified budget grants. These include the assignment of food donations and certain other agricultural commodity purchases to nondefense purchases in the NIA, the allocation of certain housing, transportation, and other grants to NIA net subsidies, and the inclusion of certain federally-sponsored research in the NIA grants category.

NIA net interest reflects the interest component of several programs not included in unified budget net interest; these programs include the Export-Import Bank, rural housing insurance, and several others.

Nondefense purchases in the NIA correspond closely to the "other federal operations" program category. The major exceptions are the allocation of some unified budget outlays in the "other federal operations" category to NIA grants or subsidies, and the inclusion of administrative costs for benefit programs in NIA nondefense purchases.

APPENDIX D. BASELINE SPENDING CONCEPTS AND ASSUMPTIONS

Baseline spending projections are designed to show what federal government budget authority and outlays would be in future years if current policies were continued without change. The basic methodology for projecting the different types of spending--direct spending programs, revolving loan funds, offsetting receipts, and discretionary appropriations--is summarized in the first section of this appendix. The subsequent sections discuss the special assumptions made for spending programs in which those assumptions differ from the basic methodology or require further details.

OVERVIEW OF BASELINE SPENDING CONCEPTS

Federal spending can be divided essentially into two categories. A large part of federal spending is mandated by existing law. The remainder is subject to annual review through the appropriation process.

Direct Spending

The term direct spending refers to four types of spending that are mandatory under existing law: permanent appropriations and trust funds; appropriated entitlements; permanent revolving funds; and offsetting receipts.

Permanent Appropriations and Trust Funds. In some instances, authority to spend may be provided directly in the legislation that authorizes a program, without the need for subsequent annual appropriations. Examples of such direct spending programs include Social Security, unemployment insurance, foreign military sales, farm price supports, and various housing assistance programs. To affect spending in these programs, the basic substantive law usually must be changed. The baseline spending projections for these programs assume that existing law at the close of the last session of the Congress will continue unchanged, and that future spending will respond to assumed economic and population changes in essentially the same way as in the past.

Appropriated Entitlements. Some benefit programs, called appropriated entitlements, have their budget authority provided in annual appropriations. Examples of appropriated entitlements include Medicaid, supplemental security income, Aid to Families with Dependent Children, and the

veterans' compensation and pensions programs. The basic legislation for these programs requires the payment of benefits to any person or government meeting the eligibility requirements. The level of annual appropriations is mandated in these cases by existing law and cannot be altered through the appropriation process. Baseline spending projections for appropriated entitlements, like those for other entitlements, assume that the programs will respond to changes in the economy and in projected program caseload. While the food stamp program is not considered by the Congress to be an appropriated entitlement, the baseline projections are computed as if it were one, since the Congress has always appropriated enough money to cover all benefit payments to eligible recipients.

Revolving Loan Funds. The federal government administers many lending programs through revolving funds. Such funds disburse loans and accept repayments of principal and interest. CBO calculates a baseline for such programs by first developing a lending level for each year of the projection. For fiscal years in which the Congress has set a lending limit, CBO uses that limit as a base for projections. If no limit has been set, CBO estimates the base-year lending level to be equal to average program experience over the past few years, adjusted for inflation. For subsequent years in which the Congress has yet to set a ceiling, CBO projects a baseline lending level by inflating the base-year level. Net budget authority and outlays are estimated using these lending levels, projected loan repayments, and established government accounting practices for revolving funds.

Offsetting Receipts. Certain federal government receipts from the public and certain intragovernmental receipts are automatically credited to special receipt accounts and are treated as negative spending. They are deducted from other budget authority and outlays in computing budget totals rather than being counted as revenues. Examples of such receipts include those from the sale of timber on national forests and those from rents and royalties from Outer Continental Shelf (OCS) lands. In the baseline projections, the amount of these receipts is estimated on the assumption that current government policies regarding the extent of timber sales, the scope and timing of offshore leasing activities, and so forth, will be continued, and that actual receipts will respond to underlying economic and demographic conditions, such as the price of lumber and the expected lease value of particular OCS parcels.

Annual Appropriations

The rest of federal spending requires annual action through the appropriation process. The fiscal year 1982 spending level assumed for these programs is that enacted by the Congress through December 1981.

Because the Congress did not complete action on three of the regular appropriation bills--Commerce-State-Justice, Treasury-Postal, and Labor-Education-Health and Human Services--it authorized funding for these programs through March 31, 1982, in a continuing resolution. Although the continuing resolution would be superseded by the enactment of additional regular appropriation bills, the baseline projections assume that the spending authority in the continuing resolution will be extended through the end of the fiscal year.

The 1983-1987 projections for the appropriated accounts represent a continuation of the policies and program levels embodied in the 1982 appropriation action. Sometimes it is possible to relate these programmatic assumptions to specific Congressional decisions--for example, a defense force structure and investment program or a fill schedule for the strategic petroleum reserve. In these cases, the baseline figures are the projected budget authority and outlays required to achieve the specified programmatic objectives.

For the largest number of appropriated accounts, current spending policy cannot be so clearly defined. Future budget authority for these accounts is generally assumed to stay constant in real terms--that is, to keep pace with a measure of inflation appropriate to the particular budget account. In cases where 1981 funds were deferred until 1982, the 1982 projections base is assumed to be the 1982 program level, which equals 1982 budget authority plus the 1981 deferral. The projected growth in budget authority is limited by any authorization limit that may have been set by the Congress; if the limit ceases to apply in some future year, budget authority is assumed to rise with inflation thereafter. It is further assumed that budget authority will result in outlays according to the observed historical pattern for the particular account.

The baseline projections assume that federal employees will be awarded pay rate increases of 7 percent each year. This represents an extension of the pay raises assumed in the first budget resolution for fiscal year 1982. Comparability with private-sector wages is not assumed, since federal pay has consistently been held below this level in recent years. The baseline also assumes that the pay ceilings approved in the latest continuing resolution for 1982 will be maintained throughout the projection period.

NATIONAL DEFENSE (FUNCTION 050)

The defense baseline provides funding for the explicit force structure and investment programs that, CBO assumes, were approved during the first session of the 97th Congress. The outyear force structure reflects

announced changes in force level through the introduction of new weapon systems purchased in the current and previous years and the planned deactivation of obsolete or worn-out systems. The outyear investment programs are those programs announced by the Administration through October 1981, adjusted to reflect Congressional action.

The baseline is costed in 1982 dollars, assuming the same per unit level of force activity in the outyears as Congressionally approved in the 1982 appropriation bills and the same level of efficiency over the six-year period. The outyear costs in 1982 dollars are adjusted for inflation using CBO economic assumptions.

Table D-1 shows baseline budget authority and outlays in constant 1982 dollars and in current dollars (that is, with adjustments for inflation). Real budget authority measured in constant 1982 dollars grows at an average annual rate of about 1 percent over the five-year projection period. Real growth in outlays over the projection period is larger--an average annual rate of over 3.5 percent--primarily because of spending from 1982 and earlier procurement appropriations.

TABLE D-1. BASELINE PROJECTIONS FOR NATIONAL DEFENSE (By fiscal year, in billions of dollars)

	1982 Base	Projections				
		1983	1984	1985	1986	1987
Defense Baseline in Current Dollars						
Budget authority	216.5	242.4	265.5	284.3	299.9	315.9
Outlays	190.1	213.6	238.1	263.1	285.6	303.5
Defense Baseline in Constant 1982 Dollars						
Budget authority	216.5	226.3	231.3	231.4	228.2	225.2
Outlays	190.1	204.5	215.6	223.8	228.0	227.2

Table D-2 shows the baseline budget authority by Defense Planning and Programming Category in current dollars; Table D-3 shows the same data in constant 1982 dollars. The current-dollar amounts are those required to keep the approved 1982 program on track by including full adjustment for projected inflation.

TABLE D-2. CURRENT-DOLLAR DEFENSE BASELINE BY DEFENSE PLANNING AND PROGRAMMING CATEGORY (By fiscal year, budget authority in billions of current dollars)

	1982 Base	Projections				
		1983	1984	1985	1986	1987
Strategic Forces	18.0	28.3	33.8	38.7	37.6	36.4
Tactical/Mobility Forces						
Land forces	27.9	32.5	34.1	35.3	37.2	39.4
Air Force Tac Air	17.5	18.8	20.1	22.2	24.8	26.3
Navy Tac Air	9.3	9.5	12.5	11.1	11.4	13.1
Marine Corps Tac Air	2.4	2.3	2.5	3.0	3.5	3.8
Naval forces	24.9	27.2	28.5	30.0	31.1	32.7
Mobility	3.5	3.7	5.2	5.8	6.2	6.6
Auxiliary Forces	19.4	20.9	22.2	23.9	25.3	26.5
Mission Support Forces	17.7	19.2	20.5	22.0	23.6	25.2
Central Support Forces	47.7	51.4	55.0	58.8	63.0	67.2
Miscellaneous	<u>23.3</u>	<u>23.5</u>	<u>25.4</u>	<u>27.4</u>	<u>29.5</u>	<u>31.6</u>
Subtotal, DoD-Military	211.7	237.2	259.9	278.2	293.2	308.9
Other National Defense	<u>4.8</u>	<u>5.2</u>	<u>5.6</u>	<u>6.1</u>	<u>6.7</u>	<u>7.1</u>
Total	216.5	242.4	265.5	284.3	299.9	315.9

TABLE D-3. CONSTANT-DOLLAR DEFENSE BASELINE BY DEFENSE PLANNING AND PROGRAMMING CATEGORY (By fiscal year, budget authority in billions of constant 1982 dollars)

	1982 Base	Projections				
		1983	1984	1985	1986	1987
Strategic Forces	18.0	26.3	29.2	31.1	28.2	25.4
Tactical/Mobility Forces						
Land forces	27.9	29.8	29.2	28.2	27.8	27.5
Air Force Tac Air	17.5	17.4	17.3	17.8	18.5	18.3
Navy Tac Air	9.3	8.8	10.7	8.8	8.4	9.0
Marine Corps Tac Air	2.4	2.1	2.2	2.4	2.6	2.6
Naval forces	24.9	25.2	24.6	24.2	23.4	23.0
Mobility	3.5	3.4	4.4	4.6	4.6	4.5
Auxiliary Forces	19.4	19.5	19.4	19.5	19.4	19.1
Mission Support Forces	17.7	17.8	17.8	17.9	17.9	18.0
Central Support Forces	47.7	47.8	47.9	48.0	48.1	48.3
Miscellaneous	<u>23.3</u>	<u>23.6</u>	<u>23.9</u>	<u>24.2</u>	<u>24.5</u>	<u>24.8</u>
Subtotal, DoD-Military	211.7	221.5	226.5	226.6	223.4	220.5
Other National Defense	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>
Total	216.5	226.3	231.3	231.4	228.2	225.2

Higher force levels in the projection period require higher military and civilian strengths under the CBO costing assumptions. Table D-4 shows personnel requirements for each fiscal year.

TABLE D-4. ACTIVE MILITARY AND CIVILIAN PERSONNEL IN THE DEFENSE BASELINE (By fiscal year, end-strengths in thousands)

	1982 Base	Projections				
		1983	1984	1985	1986	1987
Active Officers	287	288	289	289	290	290
Active Enlisted	1,821	1,832	1,837	1,843	1,860	1,860
Civilians	1,025	1,026	1,028	1,030	1,033	1,034

The major results of the baseline projections by Defense Planning and Programming Category are discussed below. Tables D-5 and D-6 show the force levels and investment programs, respectively, contained in the projection.

Strategic Forces

The baseline provides significant real dollar growth in strategic forces over the projection period. Budget authority in 1987 is about 41 percent higher in real terms than in 1982. Changes to deployed forces are relatively small, with 7 new Trident submarines, 36 new strategic bombers, and 6 MX missiles being the major additions; offsetting changes include deactivation of all Titan ICBM and 36 B-52 bombers. Investment programs account for most of the growth as major funding increases are made for the MX missile, Trident II missile, KC-135 reengining, and the new strategic aircraft.

Tactical/Mobility Forces

Land Forces. Budget authority for land forces declines slightly in real dollar terms. The only significant changes occur in the investment program, where production rates are at their highest levels by 1987, but

TABLE D-5. MAJOR ACTIVE FORCE LEVELS USED IN THE DEFENSE
BASELINE (By fiscal year, in units of equipment)

	1982 Base	Projections				
		1983	1984	1985	1986	1987
Strategic Forces						
Titan	54	42	30	18	6	0
Minuteman	1,000	1,000	1,000	1,000	1,000	1,000
SSBN	34	35	37	38	39	41
B-52	316	316	316	314	294	280
FB-111	60	60	60	60	60	60
New strategic aircraft	--	--	--	2	22	36
MX	--	--	--	--	--	6
Tactical/Mobility Forces						
Land forces						
Army divisions	16	16	16	16	16	16
Marine Corps divisions	3	3	3	3	3	3
Air Force Tac Air						
A-10	288	288	312	336	336	336
F-4	528	528	456	360	288	216
F-15	390	396	432	432	432	432
F-16	276	384	432	504	576	648
F-111	244	244	240	240	240	240
Navy Tac Air						
Aircraft carriers	13	13	13	13	14	14
A-7	288	288	288	288	288	288
F-4	72	48	24	--	--	--
F-14	216	216	216	216	240	240
F-18	--	24	48	72	96	96
Marine Corps Tac Air						
AV-8	45	45	45	45	45	45
F-4	165	153	117	93	69	45
F-18	--	12	48	72	96	120
Naval forces						
Attack submarines	91	96	98	99	102	102
Destroyers	89	90	90	90	90	90
Frigates	88	96	102	106	112	112
Cruisers	27	28	29	30	32	32
Battleships	--	1	1	2	2	2

TABLE D-6. MAJOR INVESTMENT PROGRAMS CONTAINED IN THE NATIONAL DEFENSE BASELINE PROJECTIONS (By fiscal year, in billions of dollars)

	1982 Base	Projections				
		1983	1984	1985	1986	1987
Strategic Forces						
MX	2.0	4.4	5.8	6.0	4.9	1.4
Trident I missile	0.9	1.0	1.0	1.0	1.0	1.0
Trident II missile	0.2	0.5	0.7	2.2	2.1	2.4
Trident submarine	0.4	2.7	1.7	1.7	1.7	1.8
B-52 modifications	0.7	0.5	0.5	0.5	0.7	0.7
Air-launched cruise missiles <u>a/</u>	1.1	1.0	0.9	0.9	0.9	0.9
B-1 <u>b/</u>	2.1	4.5	7.1	8.1	7.2	7.8
KC-135 reengining	0.2	0.6	1.4	1.5	1.6	1.7
Tactical/Mobility Forces						
Land forces						
Army aircraft	1.6	1.8	1.9	1.8	2.0	2.4
M-1 tanks	1.8	2.3	2.6	2.7	2.7	2.9
Other tracked vehicles	1.6	1.6	1.8	2.0	2.2	2.3
Missiles	2.1	3.2	3.0	2.4	2.2	2.1
Air Force Tac Air						
A-10	0.2	0.3	*	*	*	--
F-15	1.2	0.9	1.1	1.7	1.8	2.0
F-16	2.3	2.0	1.9	2.1	3.2	3.1
KC-10A	0.2	--	--	--	--	--
E-3A (AWACS)	0.3	0.7	0.5	0.5	0.5	0.5
Ground-launched cruise missiles	0.4	0.5	0.5	0.4	0.4	0.1
Navy/Marine Corps Tac Air						
CVN	0.5	0.2	3.1	*	*	*
CVN-SLEP	0.1	0.7	0.1	0.8	0.2	0.8
F-14	1.2	1.2	1.4	1.5	1.6	1.7
F-18	2.6	2.1	2.4	2.8	3.2	3.3
AV-8B	0.9	0.7	0.8	1.2	1.6	1.7
Naval forces						
SSN-688	1.7	2.4	2.2	2.2	2.0	2.2
CG-47	3.0	2.0	4.5	4.5	4.9	5.4
FFG-7	1.0	1.1	0.1	0.1	*	*
Mobility forces						
Strategic airlift	0.1	0.2	1.5	2.3	2.5	2.8

*Less than \$50 million.

a/ Air Force ALCM and Navy Tomahawk.

b/ 1987 total represents continued B-1 investment or introduction of Stealth investment.

learning-curve effects are assumed to lower unit costs; there is little, if any, real decline in output. The only change to deployed force levels is an additional Army brigade in 1986.

Air Force Tac Air. The number of deployed combat aircraft is over 8 percent higher in 1987 than in 1982, causing budget authority for force operations to increase by about \$0.5 billion in constant dollars. Budget authority for tactical aircraft acquisition increases by about 3 percent in real terms by 1987. The A-10 and KC-10A programs end by 1983, the F-15 procurement averages 40 aircraft per year through 1987, F-16 procurement increases from 120 in 1982 to 180 in 1986, and E-3A (AWACS) procurement increases from 2 in 1982 to 4 in 1984.

Navy and Marine Corps Tac Air. The Navy is projected to operate about 8 percent more combat aircraft and one more aircraft carrier in 1987 than in 1982. The investment program contains one nuclear aircraft carrier in 1984, 132 F-18s in 1987 (compared with 63 in 1982), 30 F-14s per year through 1987, and a carrier entering the service-life extension program in each of 1983, 1985, and 1987. Procurement of tactical missiles increases significantly by 1987, especially for the Laser Maverick and Sparrow.

The defense baseline shows that the Marine Corps replaces F-4s with F-18s as deployed aircraft. Procurement of the AV-8B begins in 1982 with 12 aircraft, rising to 60 aircraft per year in 1986 and 1987.

Naval Forces. Deployed major combatants increase almost 15 percent by 1987 over 1982. Nuclear attack submarines and guided missile frigates show the largest increases. Two of the four battleships being procured are operational by 1985. Between 1983 and 1987, the baseline contains procurement of 15 attack submarines and 18 AEGIS cruisers; FFG-7 procurement ends in 1983 with three ships.

Mobility Forces. Procurement funding for a strategic airlifter increases from \$50 million in 1982 to \$2.8 billion consistent with Congressional action on this program. Four aircraft are procured in 1984, 9 in 1985, and 14 each in 1986 and 1987.

Auxiliary Forces

Funding for the basic research, communications and intelligence, and geophysical activities included in auxiliary forces is essentially constant in real terms.

Mission and Central Support Forces

Higher force and personnel levels require real funding increases for various base operations, training, medical support, personnel support, command, and logistic functions.

Miscellaneous

Military retired pay, the largest part of this category, increases with the cost of living and a larger population of military retirees.

Other National Defense

Defense programs of the Department of Energy, the General Services Administration, the Selective Service System, and the Intelligence Oversight Staff are held constant in real terms.

INTERNATIONAL AFFAIRS (FUNCTION 150)

This function includes foreign economic and financial assistance, military assistance, activities associated with the conduct of foreign affairs, foreign information and exchange activities, and international financial programs. Baseline projections of budget authority and outlays for each budget account within the function are based on the enacted appropriation bills or the annual rates contained in the Continuing Appropriations Resolution (Public Law 97-92).

Contributions to Multilateral Development Banks

Periodically, the United States and other donor countries enter into agreements providing additional resources for the multilateral development banks. The replenishment agreement, as it is called, may extend over a number of years, with annual appropriations as partial payments. Once signed, the agreement is treated as binding. If one year's appropriation is less than the scheduled contribution, the difference is included in subsequent budget requests until the full amount is provided.

The replenishments may take the form of subscriptions of paid-in or callable capital or contributions to the concessional lending facilities of the banks. Paid-in capital and contributions to the concessional lending windows require appropriations, while callable capital subscriptions may be provided by limitations in appropriation acts. The projections assume that

future replenishments of paid-in capital and contributions to the concessional lending windows of the regional banks will be negotiated with the same terms and conditions as are in the current replenishments, but with no real growth in funding levels. Arrearages, or the difference between the March request and the amount provided by the Foreign Assistance Appropriation Act (Public Law 97-121) are assumed to be provided as soon as possible under the limitations set in the Omnibus Budget Reconciliation Act of 1981. For the sixth replenishment to the International Development Association, the fiscal year 1983 contribution is assumed to be the \$945 million limit, with the balance provided in fiscal year 1984. A seventh replenishment is assumed to be negotiated in fiscal year 1984, but with payments made over three years beginning in fiscal year 1985.

Public Law 480 Foreign Assistance Program

The Public Law 480 food assistance program is projected using the program limits contained in appropriation acts as the base. Budget authority equals the new appropriations required to finance the program, and outlays equal gross disbursements less receipts credited to the account.

Contributions to International Organizations

These contributions are projected using the assessed amount as the base. The full assessed amount is assumed to be provided, but with an appropriation and payment schedule being slipped one quarter each year from fiscal year 1981 through 1984.

International Monetary Fund

The United States has been a member of the International Monetary Fund since the Bretton Woods Agreement, and has participated in every increase in member countries' quotas since. The projection assumes that another quota increase will take place in 1985 and that the U.S. participation will require an appropriation, as was the case in 1981. The amount is estimated as the amount necessary to maintain the real level of the U.S. quota after the 1981 increase.

Export-Import Bank

For the Export-Import Bank, the projection base is the level of direct credit and guaranteed credit contained in appropriation acts. Budget